CHALET
HOTELS

September 20, 2021

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051.
Scrip Code: CHALET

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.
Scrip Code: 542399

Dear Sir / Madam,

Sub: **Environmental - Social – Governance (ESG) Report 2020-21**

Ref: **Disclosures pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We are pleased to share that the Company is releasing its first ESG Report for the Financial Year 2020-21, a copy of which is enclosed herewith.

Further, the Company has signed up for Climate Group's RE100, EP100 and EV100 initiatives, whereby the Company has committed to:
- move to 100% renewable electricity by 2031
- double revenue per unit of electricity consumed by 2029
- transition 100% of its vehicle fleet to Electric Vehicles by 2025

The said report is also being made available on the website of the Company at www.chalethotels.com.

We request you to take the same on record.

Thanking You.

Yours sincerely,
For **Chalet Hotels Limited**

Christabelle Baptista
Company Secretary & Compliance Officer

Encl.: a/a

Chalet Hotels Limited (Formerly Chalet Hotels Pvt. Ltd.)
Regd. Off. : Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Phone : +91-22-2656 4000 Fax : +91-22-2656 5451 Website : www.chalethotels.com
CIN : U55101MH1986PLC038538

Navigate
Strengthen
Sustain

Environmental - Social - Governance
(ESG) Report 2020-21

CHALET HOTELS

Navigate Strengthen Sustain

The unforeseen outbreak of the COVID-19 pandemic in early 2020 has tested human vulnerabilities and the fundamental business models of almost every business in the world. However, what emerged to be a major focus area was the ability of organizations to embrace sustainable development by adopting an ESG-focused approach.

At Chalet Hotels Limited, we have always been committed to the idea of thriving in a responsible way. We believe that businesses like us have a responsibility towards ensuring that our growth objectives reflect our efforts towards protecting the environment, uplifting our communities and demonstrating rightful business conduct. Our sustainability efforts are driven by our purpose of 'responsible investment for sustainable value creation' by integrating and promoting the aspects of ESG across our value chain.

Our determination to generate an all-inclusive value system has helped us to build trust amongst our stakeholders and navigate through the crisis induced by the pandemic. To ensure that we remain resilient and relevant even in these testing times, we put together feasible strategies to continue delivering on our promise of supporting our guests, employees, communities and other stakeholders. We have strengthened our approach towards sustainability by collaborating with our brand partners for developing measures that help us

in driving a positive impact on our environment and society. Today, we have been implementing various ESG initiatives at our hospitality as well as non-hospitality assets with an aspiration to bring about meaningful change through our sustainability objectives. Moreover, supported by our businesses, we are regularly identifying and monitoring the impact of our operations on the environment and society. Furthermore, we have in place a sound corporate governance structure, which ensures that we operate within the purview of law and guides us to effectively manage the uncertainties surrounding our business.

In the time to come, we aim to achieve a meaningful growth, which is responsible and sustainable. Our focus is to generate true and long-lasting value that contributes towards the sustainable development of our organization. Our endeavor is to make a positive impact on the ecosystem and emerge as a reliable and responsible partner to all our stakeholders.

Contents

Report Methodology

This is the maiden ESG Report of Chalet Hotels Limited that covers the environment, social and governance aspects of the business. Through this Report, we wish to inform our stakeholders of our sustainability performance, our initiatives, and their impact. This Report covers all the properties under Chalet Hotels Limited. The Report will present our clear approach to sustainability, along with details on our risk management strategy, to make our business sustainable in the long run. The Report presents our value-creation story, incorporating key financial and non-financial aspects, which include information on our Environmental, Social and Governance (ESG) performance.

Reporting Period

April 01, 2020 to March 31, 2021

Scope and Boundary

The Report delineates approach, performance, and achievements on triple bottom lines of Sustainability – Environment, Social and Governance. The Report also covers significant activities pertaining to the seven hotels under Chalet Hotels Limited that are JW Marriott Mumbai Sahar, Bengaluru Marriott Hotel Whitefield, The Westin Hyderabad Mindspace, Novotel Pune, Four Points by Sheraton Navi Mumbai, and Renaissance Mumbai Convention Centre Hotel & Lakeside Chalet, Mumbai – Marriott Executive Apartments, Powai and 4 rental assets located at Mumbai and Bengaluru.

Reporting Criteria

The Report has been developed in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. The focus of the report is on topics that are material both to the business and to our stakeholders. We have also mapped the Report in line with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), United Nations Global Compact (UNCG) and the United Nations Sustainable Development Goals (UN SDGs).

This year, we have conducted a formal internal and external stakeholder engagement process and have explored priority topics in detail. Our priority material topics are covered in the subsequent sections of the report.

Feedback

We are deeply committed to listening to our stakeholders' thoughts and opinions. Therefore, your feedback, enquiries, suggestions, or information on any aspect of our sustainability performance are welcome, as they would enhance our reporting in future. We welcome and value your feedback. We invite you to share your views with us by post or e-mail on the below mentioned communication address.

Contact us at:

Chalet Hotels Limited

Raheja Tower, Level 4, Plot No. C-30, Block G, Next to Bank of Baroda,

Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Email - investorrelations@chalethotels.com

About Chalet

Chalet is at the forefront of mixed-use real estate development and asset management. It has pioneered concepts in developmental efficiency and operational synergies with the best partners, driving returns on investment.

Chalet Hotels Limited (CHL/Chalet/Company) is a part of the K Raheja Corp Group, which is a leading real estate group in India. The Company owns, develops and asset manages high-end hotels across key metro cities in India. All the hotel assets of the Company are strategically located in the high-density business districts of their respective metro cities with a close proximity to airports, major business centers and other convenient locations. The Company's Hotels abide by the highest standards of service quality and compliance.

Chalet's hotel platform comprises seven operating hotels including a hotel with a co-located serviced residence, operating in the key Indian cities namely Mumbai, Hyderabad, Bengaluru and Pune.

20+	7	2,554	4
Years, Asset Management Experience	Exceptional Hotel Assets in Key Markets of India	Total Keys	Rental Assets

Instilling Sustainable Development

While we aim to grow year after year, we also maintain our consistent focus on delivering our performance around the ESG essentials. We believe that responsibility should be at the core of everything we do and therefore, we carry out business operations by placing the ESG issues in the highest order of our priorities.

We strive to undertake our operational activities by considering our impact on the environment. To this end, we take mindful measures to ensure that our operations have minimal effect on the environment.

While we do this, we also implement initiatives that are centered around societal wellbeing and development. Furthermore, we ensure to highest levels of corporate governance across our organization to conduct rightful and ethical business that creates lasting value for all our stakeholders.

Our portfolio

Hospitality

Lakeside Chalet, Mumbai - Marriott Executive Apartment

Renaissance Mumbai Convention Centre Hotel
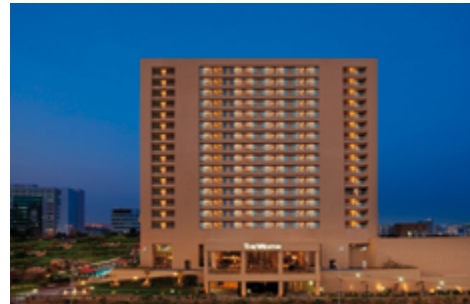

JW Marriott Mumbai Sahar

Novotel Pune Nagar Road Hotel

Four Points by Sheraton Navi Mumbai, Vashi
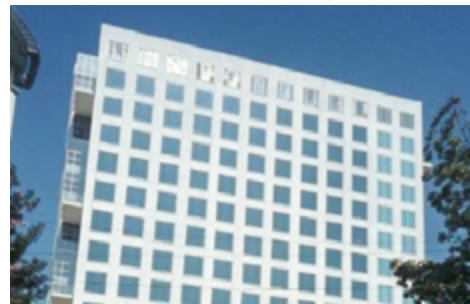

The Westin Hyderabad Mindspace

Bengaluru Marriott Hotel Whitefield

Non-Hospitality

Inorbit Mall, Whitefield, Bengaluru

Commercial Tower, Whitefield Bengaluru

The Orb Retail and Commercial Tower Sahar

FY 2021: Our Macro Environment & Performance

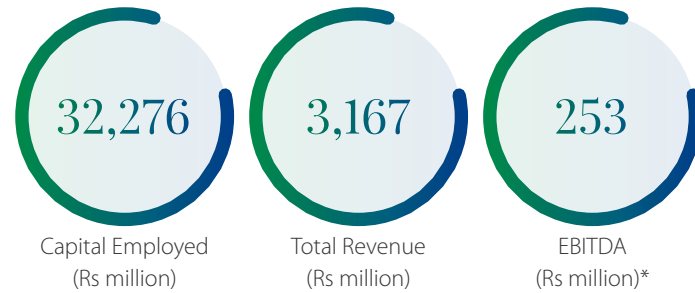## The Hospitality Sector and ESG

The Indian hospitality sector is one of the key drivers of growth in India. As per the India Brand Equity Foundation (IBEF), in FY 2019-20, the industry recorded 39 million jobs, which stood at 8% of the total employment in the country. The sector is expected to account for over 53 million jobs by the year 2029. According to World Travel & Tourism Council (WTTC), India ranked 10th among 185 countries in terms of travel and tourism's total contribution to GDP in 2019. The contribution of travel and tourism to GDP was 6.8% of the total economy.

In the hospitality industry, ESG has been identified as one of the critical priorities and companies have started implementing the fundamentals of ESG into their decision-making processes to generate holistic value for all the stakeholders. In this regard, hotel companies are focusing towards the environment aspect by working towards adopting clean sources of energy, managing waste, reducing single-use plastics, conserving water resources and protecting biodiversity, amongst others. There is also an increased inclination towards social development through measures that include empowering workforce, enhancing customer experience, and addressing the needs of local communities. Furthermore, the need for sound corporate governance that facilitates rightful business conduct is also gaining momentum in driving comprehensive value for stakeholders.
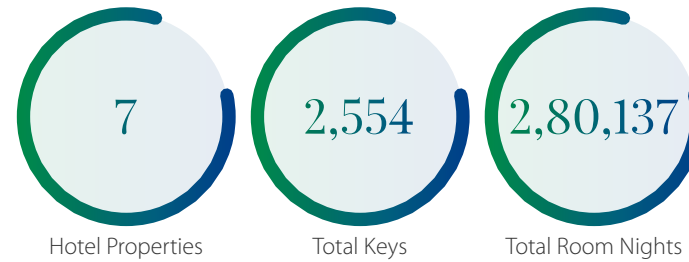
Our Business Highlights of FY 2020-21
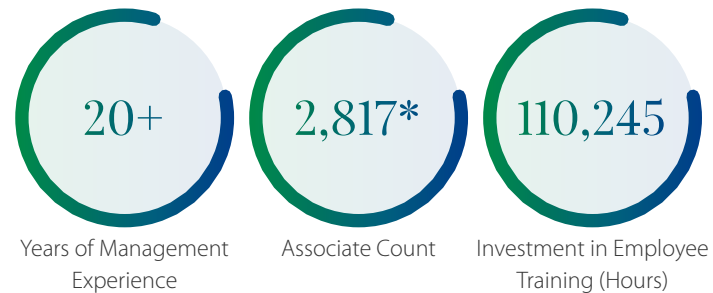
Our Strong Financial Standing

32,276
Capital Employed
(Rs million)

3,167
Total Revenue
(Rs million)

253
EBITDA
(Rs million)*

*Including EBIDTA from discontinued operations

Our Properties

7
Hotel Properties

2,554
Total Keys

2,80,137
Total Room Nights

Our Expertise & Workforce

20+
Years of Management
Experience

2,817*
Associate Count

110,245
Investment in Employee
Training (Hours)

*includes both temporary and contract staff

Our Relationships

~6,700
Supplier Base

06
Industry Affiliations

1
NGO Partnerships
(TRRAIN)

Environment-Focused Approach

4
Number of LEED
Certified Properties

43%
Reduction in water
consumption

29
Energy
consumption
(KW/Room/Day)

51%
Use of energy generate
from non-fossil fuel based
sources
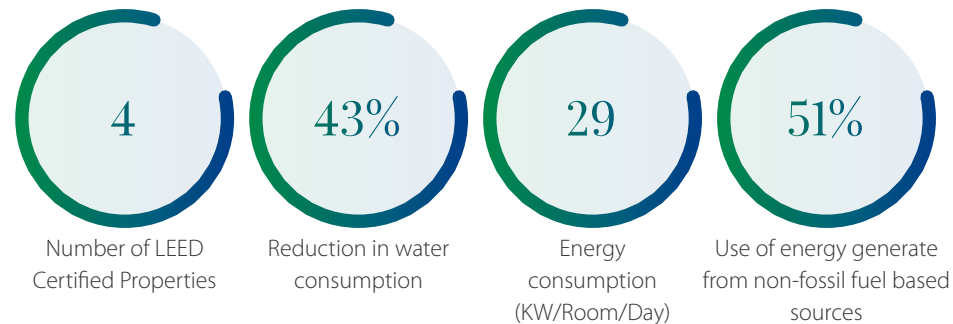
MD and CEO's Note

Dear Readers,

It gives me immense pleasure to present the first Annual Sustainability Report of Chalet Hotels Limited for FY2021.

Thank you for being part of our journey as we continue to

Navigate

Strengthen

Sustain

by stimulating responsible growth and enriching lives.

The pandemic has tested our resilience, while we have continued to demonstrate the highest standards of corporate responsibility with a firm focus on environmental sustainability and contribution to society, we have not lost sight on business continuity with cost rationalization and improving efficiencies. This is a testament to our undeterred commitment to grow in a responsible manner and contribute towards making the world a better place.

In line with this philosophy, the corporate vision puts emphasis on stakeholder returns to be driven by sustainable growth and ingrains the same motto in every employee. With this we benchmark ourselves to the global, best-in-class companies that combine financial success with sustainable business practices that encompass environment stewardship and social well-being.

Sourcing of power from renewable resources, responsible consumption of power & water and treatment of used water & other waste have been identified as key areas of focus considering the impact of our industry on environment. As an outcome of these efforts our Company has achieved consistent year on year reduction in unit consumption per room of power and water. In the fiscal, 51% of the energy used in our operations was via the renewable sources.

We have been a zero waste water discharge Company for the past many years and additionally the Company has achieved consistent reduction in the use of single use plastic and paper.

Chalet has now applied for EV 100, a Climate Group initiative on environmental impact which focuses on accelerating transition to Electric Vehicles. We are also evaluating participation in two other initiatives of Climate Group - EP100 on energy productivity and RE100 on renewable energy.

Even in a year of adversity, Chalet has kept its commitment towards society and continued its CSR initiatives by skill development of persons with disabilities, supporting healthcare initiatives by hospitals, providing meals to frontline workers and essential supplies to the needy. Within the organization there has been a holistic focus on inclusivity and diversity apart from growth and development.

The Board of Directors of the Company upholds the practice of good corporate governance with majority of our board being independent and high levels of adherence to regulatory requirements.

As we move ahead to deliver impactful performance on our key focus areas, and contribute towards a sustainable world, we are striving to bring a positive change that will last and shape a reliable tomorrow which is more critical today than ever before with the global warming threat looming above us.

In closing, I would like to thank all our stakeholders for their continued trust and support in our story. Together we can achieve so much.

Warm Regards,

Sanjay Sethi
Managing Director & CEO

Our Strategic ESG Framework

We believe that responsibility is key to our consistent growth. Our commitment towards driving lasting change has motivated us to integrate the essentials of Environment, Social and Governance (ESG) into our business model to align our business goals with the focus areas outlined under our ESG approach to generate holistic value for all our stakeholders. Our endeavor to create a lasting and comprehensive value for our stakeholders is motivated by our purpose and vision, which guides us to operate responsibly to achieve sustainable and consistent growth.

Our Purpose

Responsible investment for sustainable value creation

Our Vision

To create extraordinary shareholder value through enduring experiences for our guests, partners, colleagues, and communities with a commitment to a sustainable future.
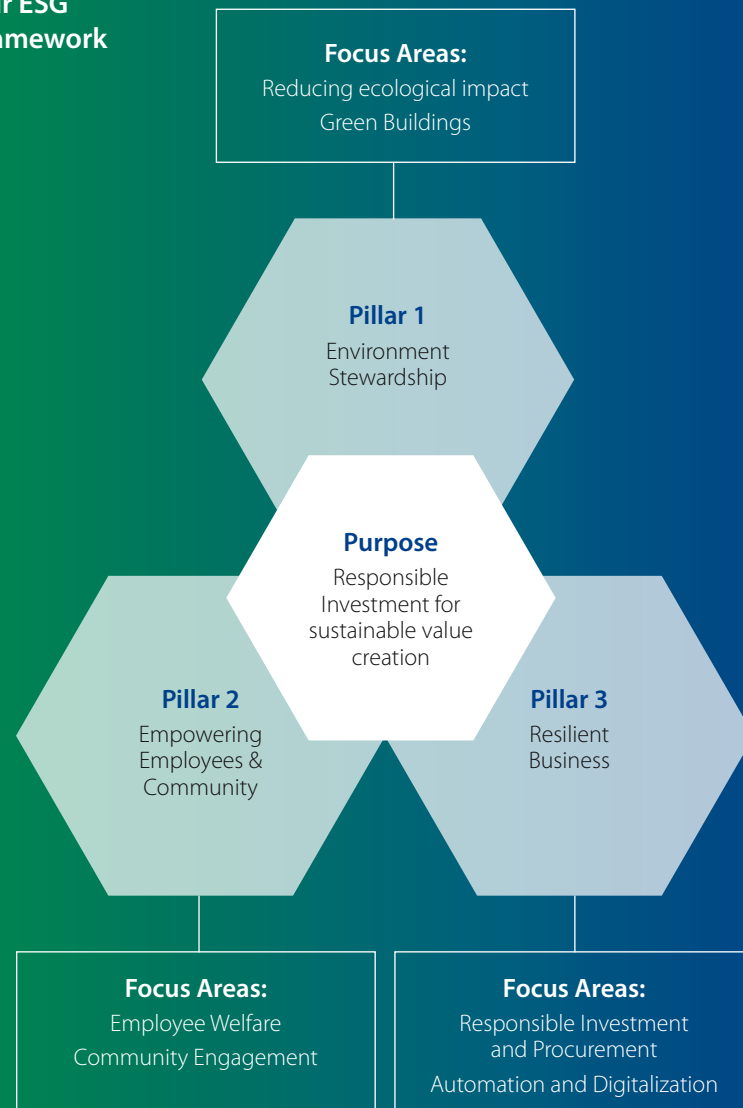
Our ESG framework

Our committment to integrate sustainability into our business is demonstrated in our ESG framework, which is a thoughtfully developed approach towards delivering holistic value for the organization as well as our stakeholders.

Our purpose of 'responsible investment for sustainable value creation' has supported us in identifying the three key pillars that surround our approach towards undertaking meaningful ESG efforts. Our strategic pillars act as the bedrocks that support our endeavor of generating lasting change for each of our stakeholders. In addition to this, these pillars have facilitated us to explore and

establish the focus areas, which are impacted by our business operations.

All our efforts towards mainstreaming ESG in the fundamentals of our business are supported and guided by our robust governance system. We believe that with the continued support and oversight of our Board, Chalet will uninterruptedly move towards building an organization that prioritizes responsible growth in the best interests of all its stakeholders.

Our ESG Framework

Focus Areas:
Reducing ecological impact
Green Buildings

Pillar 1
Environment Stewardship

Purpose
Responsible Investment for sustainable value creation

Pillar 2
Empowering Employees & Community

Pillar 3
Resilient Business

Focus Areas:
Employee Welfare
Community Engagement

Focus Areas:
Responsible Investment and Procurement
Automation and Digitalization

Supported by Robust Governance

Our Strategic Pillars

Pillar 1: Environmental Stewardship

We aim to achieve environmental stewardship through the active implementation of significant initiatives that are focused on driving a positive change in our surrounding environment. We also aim at adopting the concept of recycling and reusing to effectively manage the consumption of these valued resources and also leveraging technological interventions across our properties to drive sustainability.

Focus Area 1.1: Reducing Ecological Impacts

Our approach towards reducing ecological impact includes judicious use of natural resources and adoption of renewable energy sources. To this end, we focused on reducing our GHG emissions, managing water and wastewater, adopting waste management practices, and conserving biodiversity, amongst others. In addition to this, 51% of the energy consumed for our operations was via renewable sources during the year under review. All our hotels have been designed to treat 100% wastewater through the STP to ensure efficient use of water.

Focus Area 1.2: Green Buildings

A green building is a concept that allows us to reduce or eliminate the negative impacts on our climate and natural environment through eco-friendly features at the time of construction and subsequent usage. To this end, we aspire to focus on achieving green building certifications for our assets to symbolize sustainability excellence. Four of our properties are Gold LEED certified and we aspire to maintain such recognitions for our upcoming projects as well.

Our Strategic Pillars

Pillar 2: Empowering Employee & Community

We understand that our effort towards building a sustainable organization is incomplete without our employees and surrounding communities that provide us with their continued support and help us thrive. We prioritize the growth and well-being of our workforce by investing in them. Also, we extend our efforts towards uplifting the local communities by contributing in the areas that are crucial for their well-being.

Focus Area 2.1: Employee Welfare

We strive to put our employees first by empowering, motivating and protecting their health and safety of employees to sustain and grow in a dynamic operating environment. In this regard, we provide our employees with various benefits that are directed towards their overall well-being.

During the COVID-19 outbreak, we initiated measures to help our employees cope up with the effects of the pandemic. These programs include term insurance, Mediclaim cover, benevolent scheme, Company sponsored vaccination camps, unlimited paid leave, COVID-19 support, doctor on call, 24*7 professional counselling, Chalet war room with 24*7 help, time-off for self-care and volunteering, advance salary payments, and isolation zones.

Focus Area 2.2: Community Engagement

We aim to enable and create opportunities that can benefit the disenfranchised of the society to achieve inclusive growth. Towards this end, our focus includes development and implementation of mindful social initiatives that can bring positive change in the lives of the vulnerable sections of society. We support differently abled individuals through dedicated initiatives and are making concerted efforts to create employability for them. During the pandemic, we implemented various social measures along with our employees to support the surrounding communities by providing them with meal boxes, food ration, and other essentials.

Pillar 3: Resilient Business

Our focus towards sustainability also takes into consideration our endeavor to build a resilient business that continues to remain reliable for all its stakeholders. We aim to strengthen our organization in a manner that it can sail through the tests of time and continue to generate value for our stakeholders.

Focus Area 3.1: Responsible Investment and Procurement

We aim to invest responsibly by considering ESG aspects to create long-term value for our stakeholders. To support our endeavour, we strive to focus on implementing ESG-based considerations into our investment decisions with a purpose of supporting our goal of responsible investments. Furthermore, we aspire to incorporate the sustainability approach in our procurement processes accross ~ 6700 suppliers to manage supply chain risks. To this end, we aim to undertake multiple measures that include conducting supplier risk assessments, screening and categorization on the basis of ESG criteria, amongst others.

#### Focus Area 3.2: Automation and Digitalization

We strive to embrace digital solutions to create enduring experiences and improving sustainability performance. To this end, we aim to implement digital and technology-driven initiatives to achieve sustainable development across our hotel properties.

Guided by Governance

We, at Chalet, have always believed in the supremacy of ESG and feel that a business is accountable to the environment in which it operates and to its stakeholders. ESG is an inseparable part of how we do our business and its elements viz. environment, social and governance are intertwined with each other. Along with the environment and social criteria, we also strive to excel in governance not only in letter but in its true spirit by ensuring transparency across levels.
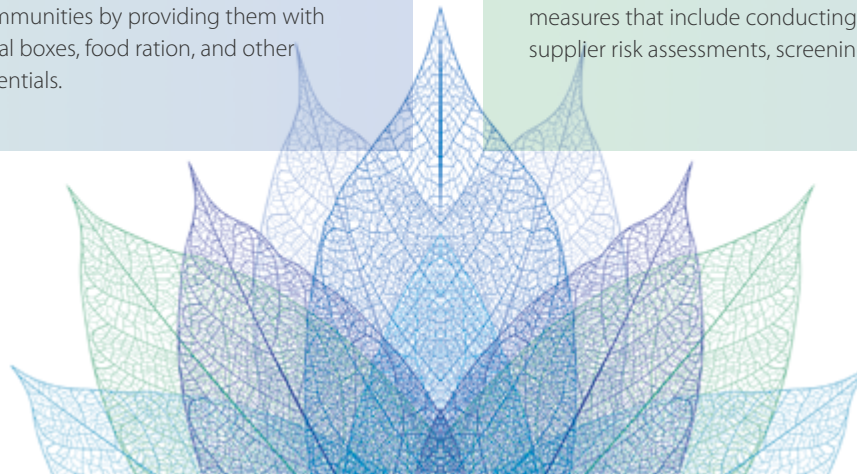
Stakeholder Dialogue

We, at Chalet, understand that stakeholder engagement is critical to the ongoing success of our business. We believe that our consistent growth is supported by our stakeholders.

Hence, we prioritize their perspectives, opinions and feedback to understand the areas for growth that can contribute towards the betterment of environment, society and economy along with accelerating our progress. Throughout the year, we actively engage with all our stakeholders through different platforms to understand the key concerns that are critical to our value creation process. Our continuous interactions with our stakeholders help us to identify risks that surround our business and respond to them in a timely manner. Moreover, the activity enabled us to identify the topics, which are material to our business and respond to them through our well-developed strategies and initiatives. It also facilitates us to strengthen our corporate governance system that further leads to ensuring business continuity and building resilience.

Our stakeholders comprise our Investors and Promoters, Employees, Hotel Operators, Suppliers, Customers, Regulators and the Communities in which we operate.

Stakeholder Group	Why are they important?	Supporting Functions	Engagement Platforms	Key Discussions
Investors and Promoters Linkage: Strategic Pillar 3: Resilient Business	Our investors and promoters are crucial for strengthening our financial standing and ensuring the continuation of our operational success.	▪ Investor Relations & Secretarial ▪ Good Governance & Transparency	▪ Interactive meeting and discussions ▪ Investor conferences ▪ Surveys	▪ Greater focus on governance ▪ Regulatory compliance ▪ Greater transparency and disclosure ▪ Healthy EBITDA margin ▪ Shareholder confidence
Employees Linkage: **Strategic Pillar 2**: Empowering Employee & Community	Our workforce is the cornerstone of our continued success and we place great emphasis on their growth and development.	▪ Human Capital Development ▪ Employee Wellbeing	▪ Personal and Group interactions ▪ Communication Mailers ▪ Surveys ▪ Regular town halls and meetings	▪ Continuous year-on-year growth strategy ▪ Key strengths of business: location, demand build-up, efficient building design ▪ Diversity and inclusion ▪ Industrial Relations ▪ Training on good governance
Hotel Operators Linkage: **Strategic Pillar 1**: Environmental Stewardship **Strategic Pillar 3**: Resilient Business	Hotel operators allow us to deliver consistent value to our customers through seamless operations and services	▪ Hotel Operations ▪ Business Teams ▪ Operational and Resource Efficiency	▪ Regular Meetings ▪ Web Portals ▪ Surveys	▪ Adherence to applicable norms as per location of Hotel operators
Suppliers Linkage: **Strategic Pillar 3**: Resilient Business	Our suppliers enable us to source responsibly and by adhering to the highest standards	▪ Supply Chain Management ▪ Awarding Tenders	▪ Procurement Team Engagements	▪ Responsible procurement
Communities Linkage: **Strategic Pillar 2**: Empowering Employee & Community	We strive to thrive together with our surrounding communities by contributing towards their upliftment and development.	▪ NGO Partnerships ▪ Community Development	▪ Meetings ▪ Newsletters and Surveys ▪ CSR Activities ▪ Employee Volunteering	▪ Impact on immediate community ▪ Impact on environment
Customers Linkage: **Strategic Pillar 1**: Environmental Stewardship **Strategic Pillar 3**: Resilient Business	Our priority is to cater to all our customers and provide them with exceptional services, thereby becoming a partner of choice.	▪ Business Teams ▪ Service Quality ▪ Data Security	▪ Industry Conferences ▪ Customer Satisfaction Assessment ▪ Surveys	▪ Customer satisfaction ▪ Brand tenets with respective associated hotels managed by Chalet
Regulators Linkage: **Strategic Pillar 1**: Environmental Stewardship **Strategic Pillar 2**: Empowering Employee & Community **Strategic Pillar 3**: Resilient Business	Regulators help us operate by law by providing us with the frameworks so that we can comply with them and respond to the wide issues surrounding the environment, society and governance aspects of our business.	▪ Legal and Secretarial ▪ Compliance with systems and regulations	▪ Industry Representations ▪ Filings ▪ Correspondence Meetings	▪ Statutory Compliances

Material Issues & Our Response

Approach to Materiality

We, at Chalet, recognize materiality assessment as one of the key exercises that is instrumental in understanding the material issues surrounding our business, which enables us to develop plans to respond to them. During FY 2020-21, we conducted a detailed materiality assessment that began with identifying a universe of material topics, and our key internal and external stakeholders. Post this, we organized one-on-one focused group virtual interactions across each stakeholder group to gain insights from them on the material topics that are critical to our success in the long run. Towards this, we included stakeholders across categories such as senior management personnel, employees, and customers. To facilitate a detailed understanding of their opinions, we conducted online surveys that focused on further validating the emerging material topics for Chalet. Participation of over 80 stakeholders, both internal and external, was observed in this survey. The detailed discussions and survey responses were studied to gather valuable insights that were used as inputs in the materiality assessment process.

Material Priorities		Linkage with GRI Indicators	UN SDG Linkage
Environment Context: The impact of our operations of our surrounding environment and how we respond to issues that are critical to our ecosystem.	Climate Change, Energy and Emissions	GRI 201-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4	
	Water	GRI 303-1, 303-2, 303-3, GRI 303-5	
	Waste Management	GRI 306-1, 2, 4, 5	
	Biodiversity	GRI 304-1	
Social Context: Our approach towards strengthening our workforce through training, growth and development, enhancing guest experience and uplifting local communities.	Sound HR Policies & Talent Management	GRI 102-8, GRI 202-1, 2; GRI 405-1,2	
	Health and Safety	GRI 403-1 to 10	
	Human Rights Assessment	GRI 406-1, GRI 407-1, , 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 412	
	Customer Delight	GRI 102-44	
	Social Initiative	GRI 203-1,2; GRI 413-1,2	
	Redressal Mechanism	Not Applicable	
Governance Context: Our endeavor to build a robust governance structure that ensures ethical business conduct, sustainable value creation and implementing durable risk mitigation strategies.	Governance	GRI 102-18, 19, 20, 22-39; GRI 405-1	
	Sustainability Profitability & Return on Investment	GRI 201-1	
	Information and Cyber Security	Not Applicable	
	Responsible Procurement	GRI 102-9, GRI 204, GRI 308-1, 2, GRI 408-1, GRI 409-1, GRI 414	
	Service Quality	Not Applicable	
	Brand & Reputation	Not Applicable	
	Risk Mitigation	GRI 102-29, GRI 205-1	

Governance

"At Chalet, we believe that having a reliable and robust governance enables us to undertake breakthrough initiatives and provides us with the support to continue on our sustainability journey"

In this section

Our ESG Oversight

Sustainable Profitability and Return on Investment

Economic Value Creation

Information and Cyber Security

Responsible Procurement

Service Quality

Brand and Reputation

Risk Mitigation

Our efforts contribute to the following UN SDGs:

Supporting Policies

- Policy on Related Party Transactions
- Vigil Mechanism & Whistle Blower Policy
- Environment Policy
- Dividend Distribution Policy
- Risk Management Policy
- Preservation of Documents & Websites Archival Policy
- Policy for Determination of Material Subsidiaries
- Policy for Determination of Materiality of Events
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Policy for Appointment of Directors & Remuneration of Director and Senior Management
- Business Responsibility Policy
- Internal Audit Charter

Read Here: Chalet Corporate Policies

Our Leadership Philosophy & Board Oversight

At Chalet, we believe that to achieve consistent success, it is important for us to have a sound corporate governance in place that builds lasting trust amongst our stakeholders. To this end, we persistently ensure that our business practices are ethical, transparent and consider the best interests of all our stakeholders. Having a robust governance mechanism enables us to enhance our operational efficiencies, maximize stakeholder returns, and mitigate risks all while ensuring compliance with the pre-set guidelines. Our continuous progress is a result of the relentless commitment of our experienced Board and Senior Management that guide us through the decision-making process with its reliable leadership.

Our governance mechanism also places high emphasis on creating a lasting value that is influenced by responsible practices. In this regard, we are committed to implementing the critical aspects of ESG to mitigate our impact on the environment and local communities. All our sustainability efforts are supported by a firm governance structure that is developed to ensure that our business objectives are in sync with our defined ESG goals.

Our ESG oversight

Our ESG efforts are guided and supported by our well-established governance framework that provides its experienced oversight right from strategizing and planning to executing the programs. The governance framework is instrumental in developing the efforts, implementing them and reviewing the impact created through our measures.

Our ESG Governance Structure:

Governance	Underlying strong ESG gevernance framwork responsible to strategize, plan and execute ESG programs.
Board Level Committee	CSR & ESG Committee
ESG Steering Committee	Management leaders to steer the implementation of ESG strategy
ESG Champions at hotels, rental assets and sites	Team responsible for driving Company's ESG goals

CSR & ESG Committee

The roles and responsibilities of 'CSR & ESG Committee' include:

- Monitor the Corporate Social Responsibility policy of the Company and its implementation from time to time

- Oversight on ESG Strategy and roadmap and provide guidance to ESG Steering Committee with respect to the same

- Review and approval on ESG public disclosures (annual report, ESG report, special disclosures)

ESG Steering Committee

The roles and responsibilities of 'ESG Steering Committee' include:

- Implementation and monitoring of ESG strategy and roadmap

- Undertake quarterly review of ESG initiatives led by ESG Implementation Group

- Review public disclosures on ESG (annual report, ESG report, special disclosures) and present to the CSR & ESG Committee for approval

- Allocate resources required by ESG Implementation Group

ESG Champions at hotels, rental assets and sites

The roles and responsibilities of 'ESG Champions at the hotels, rental assets and sites' include:

- Implement ESG initiatives and track the progress

- Report the progress to ESG steering committee on a quarterly basis

- Track and provide ESG data, inputs, information, and reports for public disclosures

- Engagement with stakeholders including external rating agencies and auditors relevant to ESG

Sustainable profitability and return on investment

We aim to generate long-term value for our shareholders that is both profitable and sustainable in nature. We believe that as an organization that focuses on bringing lasting change through responsible practices, it is our critical duty to create sustainable investor value. To achieve this, we focus on providing services that brings profitability and sustainable development under one umbrella. Through our sustainable return on investment approach, we place a high emphasis on identifying and assessing our impact on the environment, society and economic aspects of our investments.

Economic value creation

At Chalet, our portfolio comprises of seven fully operational hotels across mainstream and luxury segments, commercial and retail spaces close to our hospitality assets. Our contemporary and well-planned designs, strategic locations, long-standing experience in asset management, make an exceptional proposition for all our stakeholders.

During FY 2020-21, our management team took swift actions to respond to the disruptions caused by the pandemic. We shored up our liquidity, reduced costs both above property and at the hotel level and adjusted many of our operating protocols, with a focus on elevating our hygiene and sanitation standards.

FY 2020-21 Highlights

- Capital expenditure of Rs. 1,159 million contributed to the increase in net debt for the year by Rs. 2,141 million to Rs. 18,711 million

- The strategic mix of asset classes helped in achieving break-even in operating profits for the year

- Recorded EBITDA of Rs. 253 million against a revenue of Rs. 3,167 million for the year, and profit after tax at Rs. (1,391) million

- The cost control measures taken throughout the year have kept fixed costs at around 50% of previous year's level for the hospitality division. The operating teams managed to reduce fixed costs by moving certain fixed costs to variable buckets. The variable costs were in line with the revenue levels and were down by 70% for FY 2020-21.
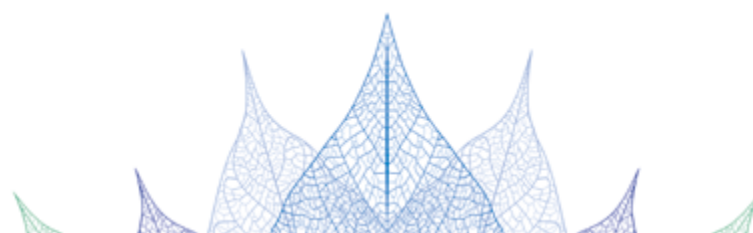
Particulars	FY2020-21
Economic Value Generated	
Gross Revenue	2943.87
Other Income	223.38
Sub-total (A)	3167.25
Economic Value Distributed	
Operating Costs	1962.49
Employee Wages and Benefits	906.57
Payment to Providers of Capital	1519.78
Payment to Government	1.66
Community Investments (CSR)	4.49
Sub-total (B)	4394.99
Economic Value Retained (A - B)	-1227.74

The information in the table above is in accordance to the definitions provided by GRI Standards. Detailed financial statements are available in Chalet's annual report: https://www.chalethotels.com/wordpress/wp-content/uploads/2021/07/Annual_Report.pdf

Information and cyber security

As technology becomes pervasive in the industry we operate in, there is an inevitable need to adopt advanced digital interventions to provide a seamless service experience to our guests. Data and information, today, stand as one of the most valued assets creating a heightened sense of responsibility for us to ensure the data privacy of our guests. To this end, we have well-placed mechanisms to ensure data protection across our managed properties such as masked credit cards and firewalls to safeguard the data from any breach. Additionally, our hotels and their departments have a contingency plan in case of IT system breakdowns. We have also implemented initiatives such as key-less mobile or digital check in and check-out using handheld devices, contactless services with an integrated digital payment mode/option, touchless attendance system for employees etc.

Responsible procurement

At Chalet, we pursue an approach that prioritizes responsible procurement across our hotels. Sustainable procurement aims to contribute towards the goal of resource minimization by ensuring that the goods and services we procure consider impact on the environment and society. We strive to implement this approach by carefully screening and choosing our suppliers, assessing the product lifecycle, and ensuring fair trade, amongst others. Furthermore, we encourage resource efficiency in the supply chain and our partners to adopt sustainable practices. Our hotels engage with the local Non-Governmental Organizations (NGOs) to source products and supplies and empowering women and children. The procurement team endeavors to provide opportunity to all suppliers. The Company endeavors, wherever possible, to employ local labor and provides transport and infrastructural facilities.

Service quality

Our hotels aim to maximize the satisfaction levels of our guests by continuously improving our service qualities and offering them a best-in-class experience when they choose our hotels. Guest satisfaction is amongst our most critical priorities as it assists us in standing out and emerging as a host of choice for all our customers. To provide exceptional service to guests, we partner with our hotels with a purpose of regularly upgrading their service quality by understanding the needs and expectations of the guests. We take constructive feedbacks from the guests and work towards their suggestions to constantly improve and enhance our services.

Brand and reputation

Brand reputation is amongst the prominent aspects of our growth and success. It is important for us to invest in the continuous enhancement of our reputation to resonate with the brands that we partner with. We seek to brand our hotels with leading global hospitality flag, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to leverage few of the best brands and collaborate with them to cater to wide range of guests across the key cities of India.

Risk mitigation

To ensure business resilience and continuity, having a well-placed risk management system is imperative to our business. Therefore, we give utmost importance to regularly identifying and monitoring the risks surrounding our business to take immediate and effective actions. Moreover, a reliable risk management framework not only safeguards our business from uncertainties but also protects the interests of our stakeholders. At Chalet, the Board of Directors play a pivotal role towards providing their oversight with the purpose to manage risks and support a focused approach towards risk mitigation.

Furthermore, to enhance our efforts to manage and mitigate risks, we have a risk management policy along with an established process to safeguard the organization from the uncertain threats. In addition to this, we pay utmost attention towards ensuring that all our business activities are conducted in compliance with the regulatory requirements.
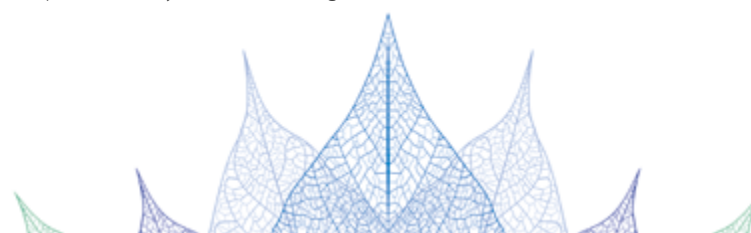
The goal of our effective risk management includes:

- Helping us achieve our corporate objectives and goals in an efficient manner
- Enhance the value of the services that we provide to the community
- Move towards consistent and sustainable growth
- Ensure a sound governance system

Our Risk Management Policy aims to protect us and our stakeholders by ensuring that all the current and future material risks and exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed. The policy also aims to establish a framework for the Company's risk management process and to ensure its implementation. Furthermore, its endeavors to enable compliance with the appropriate regulations, wherever applicable, through the adoption of best practices.

Establishment of a robust process of identification and classification of risks that are pertinent to the Company's business and operations including identification and review areas that require periodic mitigation

Business decisions involve consideration of prior information and acceptance of the underlying risks.

Our Risk Management Principles

The Risk Management Policy should be instrumental in enhancing and protecting the business value from uncertainties and consequent losses.

Our risk-mitigation measures shall play a pivotal role in the long term and would be embedded in the Company's business processes.

Regularly review and update the risk tolerance levels with respect to the change in the business strategy and evolving economic environment.

The occurrence, progress and status of all the risks to be reported to the Audit and Risk Management Committee along with the implementation of appropriate suggestions.

The Audit and Risk Management Committee, which comprises of three Board members meets regularly and is joined by the senior management team.

Environment

"As a responsible organization, we make consistent efforts to ensure that our operations have the minimal impact on the environment by implementing right measures and technologies"

In this section

Climate Change, Energy and Emissions

Water Management

Waste Management

Biodiversity

Our efforts contribute to the following UN SDGs:

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

Supporting Policies

Read our 'Environment Policy' to understand how we strive to be an environmentally conscious corporate citizen, operating in full compliance with all applicable environmental laws.

Read Here: Chalet's Environment Policy

Our Concerns & Initiatives

Climate change, energy and emissions

Energy management is amongst the most important components in the business we operate in. We realize that energy is a critical resource and as a responsible organization, we focus on utilizing the resource in an optimum manner. Our efforts towards careful consumption motivate us to explore ways in which we can save energy and adopt alternatives that are environment friendly. To this end, we monitor and manage the consumption of energy in the operations across our hotel assets.

51%
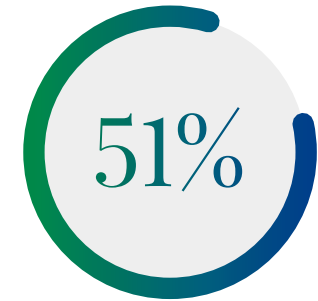
Use of energy used is from non-fossil fuel based sources

Signatory to the climate Group's EV 100 initiative

All our upcoming / underdevelopment projects are designed as per the green building certifications with the use of latest available energy efficient technology and equipment. During the reporting year, we recorded a decrease of ~50% in our energy consumption levels.

Total Energy Consumption (in GJ)

Year	Value
17-18	2,75,051
18-19	2,76,851
19-20	2,50,552
20-21	1,29,721

Direct Energy Consumption Within the Organization units (in GJ)

Year	Value
17-18	94,679
18-19	99,299
19-20	82,127
20-21	36,279

Total Purchased Electricity (kwh)

Year	Value
17-18	5,01,03,135
18-19	4,93,20,031
19-20	4,67,84,582
20-21	2,59,56,106

Electricity Purchased - FY 2020-21

Renewable 51% | Non-Renewable 49%

At Chalet, we maintain a stringent focus on ensuring energy efficiency and optimization at our hotels. We have tied up with various providers of renewable energy. Most of our properties have replaced the existing Compact Fluorescent Lamp (CFL) light fixtures with Light-Emitting Diode (LED) fixtures. Moreover, all our upcoming properties are being designed with 100% LED light fixtures along with motion sensors. During the reporting year, 51% of the energy generated for our operations was via the renewable sources. We aim to enhance our dependence on renewable alternatives of energy to contribute towards a more sustainable future.

Initiatives and Outcomes:

Our Brand	Initiatives
JW Marriott Mumbai Sahar	▪ Installed LED lights as a part of our energy saving initiative ▪ Initiated chiller plant optimization solution in the hotel
Bengaluru Marriott Hotel Whitefield	▪ Installed Automatic Tube Cleaner (ATC) for chillers to ensure the chiller condenser tube is clean and results in energy savings ▪ Installed dual thermostat for guest room air conditioning
The Westin Hyderabad Mindspace	▪ Cooling tower automation ▪ Plant room optimization ▪ High energy efficient chiller ▪ Secondary Chiller pump with Sensors ▪ VFD installation for chiller ▪ Replacement of existing chiller with high energy efficient chiller ▪ Cooling tower replacement with efficient towers These measures have resulted in total electricity savings of 17,37,873 KWH
Four Points by Sheraton Navi Mumbai	Installed Building Management System (BMS) for low side HVAC, which resulted in the energy savings of 6,622 KWH
Renaissance Mumbai Convention Centre Hotel	▪ Implemented energy reduction initiatives by installing LED lights ▪ Installed Pressure-Independent Balancing Control (PIBC) Valves for Air Handling Units (AHU) and Fan Coil Units (FCU) to achieve accurate temperature and energy savings ▪ Motion sensors-based technology for the rooms to achieve savings
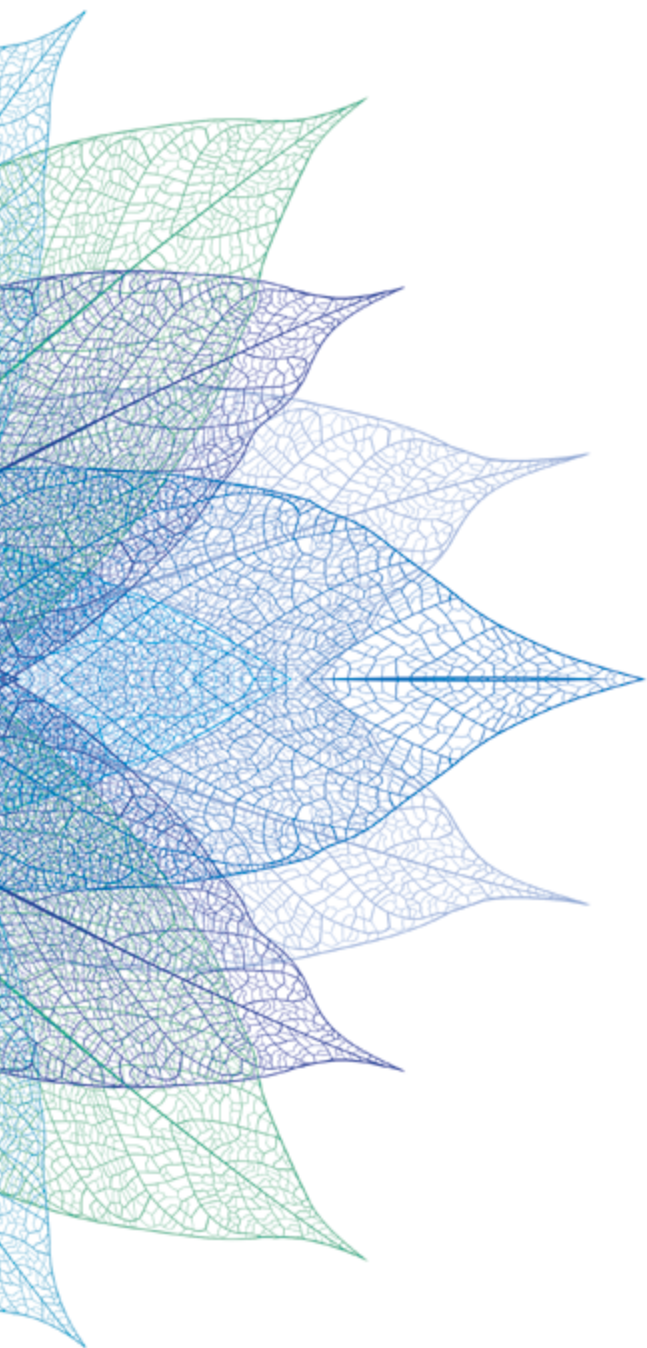
Energy Intensity

We have taken energy-efficiency measures across the seven hotels over the years while investing in renewable energy to reduce our climate impact. The consolidated energy consumption as a factor of revenue stands at 64.19GJ/Revenue in INR millions.

Energy Intensity (GJ/ Revenue)

19-20	27.54
20-21	64.19

Biodiversity

Biodiversity is an important part of our ecosystem. At Chalet, we take persistent strides in ensuring that our operations have minimal impact on the biodiversity. Moreover, we explore ways in which we can positively contribute towards the overall development of the biodiversity. In addition to this, we take efforts to integrate the elements of nature in the design of our hotels to provide our guests with a nature-based experience.

Emissions

In our endeavor to address the climate change crisis, we take sincere efforts to mitigate the emissions caused due to operations at our hotels. In FY 2020-21, the total emissions combining Scope 1 and Scope 2 stood at 12,444.17 tCO2e.

GHG Emissions (in tCO2e) Scope 1

19-20	7,692.06
20-21	1,920.09

GHG Emissions (in tCO2e) Scope 2

19-20	23,682.06
20-21	10,524.08
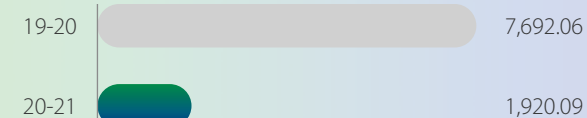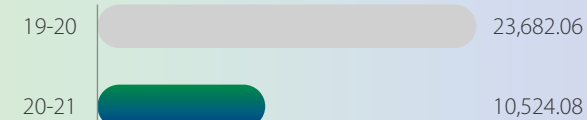
Emissions Intensity (in tCO2e/ revenue)

19-20	3.45
20-21	6.16

Water Withdrawal by source (in m3)

	Surface water	Third- Party Water	Ground Water	Total
FY 2017-18	56,498	3,80,094	1,44,311	580,903
FY 2018-19	63,291	4,12,650	1,02,381	578,322
FY 2019-20	68,506	3,33,637	1,08,796	510,939
FY 2020-21	19	1,77,442	1,23,588	301,049

We undertake various measures to reduce our water consumption such as optimal utilization of the sewage treated water, effluent treatment plant for laundry water, ultra-filtration system, online monitoring of treated water, aerators for all water taps, sensor-based taps and dual flushing tanks. Other water saving measures such as waterless urinals are under trial at some of the properties.

Water Management

While we focus on our environmental impact in terms of energy consumption and climate change, we equally direct our efforts towards ensuring efficient utilization of the water resource. We aim to optimally utilize and conserve the water resource available to us. We do this by establishing reliable water management systems and practices in place to ensure that we remain committed towards our achieving water stewardship.

At Chalet, there are three basic steps we follow towards effective water management:

- Reduce consumption
- Recycle water
- Minimise usage

Total Water Withdrawal units (m3)

5,80,904 — 17-18
5,78,322 — 18-19
5,10,939 — 19-20
3,01,049 — 20-21

Water Consumption units (ML)

572 — 17-18
579 — 18-19
512 — 19-20
323 — 20-21

At Chalet, we also place high emphasis on ensuring that the water from our operations is discharged responsibly. We have invested in technologies that help us treat the used water and re-use them in different ways to enable a good water management practice. Our hotels do not discharge any water to public drain or outside the premises. For this, we have invested and installed Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) to treat used water. The water recycling process through the treatment plant and use of ultra-filtration system allows us to reduce our dependency on fresh water. All our hotels have been designed to treat 100% wastewater through the STP to ensure efficient use of water. The water collected from the hotel user areas is recycled and reused for irrigation, cooling towers and toilet flushing. Furthermore, we are compliant with the local and national laws concerning waste-water treatment and recycling. In this regard, we constantly strive to maintain the water quality as per the respective State Pollution Control Board (SPCB) norms.

Water Discharge at Novotel Pune

FY	2017-18	2018-19	2019-20	2020-21
Total Water Discharge (in ML)	6.41	6.09	5.44	2.79

During the year under review, water consumed across our properties (except Novotel Pune) was repurposed. While the total water discharge at Chalet is 2.79 ML, including Novotel Pune. All our other hotels are Zero Liquid Discharge (ZLD) properties where no water is discharged outside the premise and the entire water is recycled and used in cooling towers, gardening, and flushing.

Our water consumption effort also include rainwater harvesting wherein we have constructed tanks and ring-wells across our hotels to collect rainwater from the terrace and periphery areas. In addition to this, we have taken our initiative forward by encouraging the guests at our hotels to participate in our endeavor by opting out of daily change of bed and bath linen.

Initiatives and Outcomes:

Asset	Initiatives
JW Marriott Mumbai Sahar	▪ Water tanks have been setup with holding capacity of 1740 KL ▪ Water quality tests are carried on monthly, quarterly and half yearly basis as per Marriott guidelines from National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratories ▪ Rainwater harvesting system which regenerates the borewell water during the monsoon period ▪ To achieve the water saving goal, scheduled maintenance activity is performed in kitchens and guestrooms ▪ The centralized pumping station is tested on a weekly basis to avoid water wastage through leakages
Bengaluru Marriott Hotel Whitefield	▪ Water tanks have been setup with holding capacity of 760 KL ▪ Regular water testing conducted in NABL accredited laboratories to ensure the safe water quality ▪ Optimized use of water along with continuous maintenance of systems to save water from leakages ▪ Implemented dual flushing system for Water Closet (WC) flush in public areas (excluding guest rooms)
The Westin Hyderabad Mindspace	▪ Rainwater harvesting system for regenerating water during the rainy season ▪ Regular water testing conducted in NABL accredited laboratories to ensure the safe water quality ▪ Optimized use of water along with continuous maintenance of systems to save water from leakages ▪ Implemented zero wastewater discharge initiatives
Novotel Pune	▪ Water storage tanks have been setup with holding capacity of 892 KL ▪ Monthly water sample testing through National Accreditation Board for Testing and Calibration Laboratories (FSSAI) and NABL certified laboratories ▪ Annual cleaning of water tanks through certified outsourced vendors ▪ Rainwater storage tank installed with holding capacity of 100 KL along with rainwater harvesting pits to recharge groundwater level ▪ Regular monitoring of water pressures and leakages ▪ Use of water aerators for flow control along with tap and urinal sensors for optimization of water
Four Points by Sheraton Navi Mumbai	▪ Regular testing of potable water and STP through Government approved laboratories ▪ Samples from cooling tower, ETP and Spa is tested every three months ▪ Well-placed rainwater harvesting system that enables us to store water in a 20 KL storage tank, which is further used for flushing and gardening purposes ▪ Water is passed through our in-house filtration system and then released for various uses ▪ Installed dual flushing systems in all the washrooms along with low flow showers and aerators
Renaissance Mumbai Convention Centre Hotel	▪ Regular water testing through approved laboratories to ensure safe water quality for people, processes and asset ▪ Optimized use of water and continuous maintenance of the systems to prevent leakages ▪ Implemented zero wastewater discharge initiatives ▪ Rainwater harvesting system in place

Waste management

As we function in the hospitality industry, it is important for us to have an effective waste management system in place that ensures waste reduction, reuse and recycling of relevant materials. We regularly implement initiatives that are focused on waste reduction as well as effective management of waste. Through our processes, we undertake segregation and recycling of waste. Being a provider of hospitality services, the waste generated across our hotels primarily include paper, wet waste or food waste, used cooking oil, municipal waste, and e-waste. For ensuring that our properties effectively manage the generated waste, we have established robust practices for ensuring careful disposal of all the waste through our partnership with the authorized third-party vendors. In addition to this, we have collaborated with authorized vendors to ensure nearly 100% recycling of the dry waste that is generated in our hotels. During the reporting year, 100% of the wet waste generated across our hotels was recycled through natural drum composter.

Waste Generated in MT

■ Non-Hazardous ■ Hazardous

	17-18	18-19	19-20	20-21
Non-Hazardous	1680.83	1603.57	1720.27	856.40
Hazardous	3685.01	4089.44	5593.55	766.52

Waste Disposed (Non-Hazardous) in MT

17-18	18-19	19-20	20-21
289.12	323.35	617.71	228.06

Waste Disposed (Hazardous) in MT

17-18	18-19	19-20	20-21
4.66	8.16	9.51	9.73
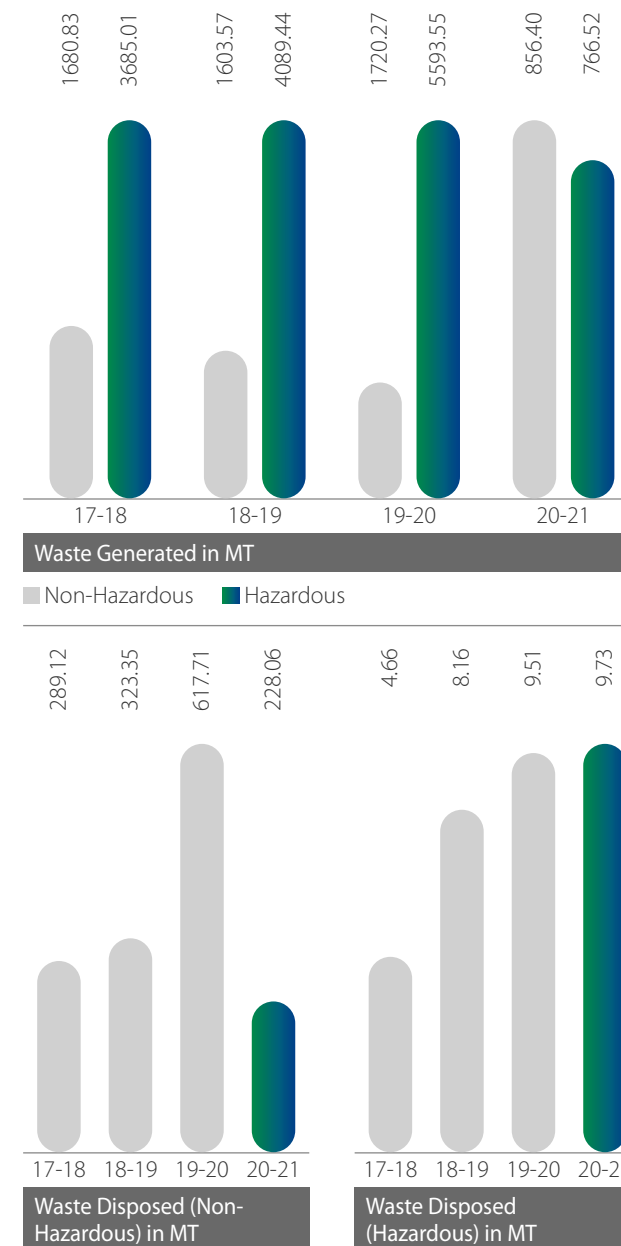
*excludes used oil (hazardous waste) of The Hyderabad Westin

Initiatives and Outcomes

Asset	Initiatives
JW Marriott Mumbai Sahar	▪ Installed Organic Waste Convertor (OWC) machines for converting the wet garbage generated through food and plant waste into compost, which is further used in gardens and lawns. ▪ Other waste is sent for recycling to vendors authorized by the Pollution Control Department
The Westin Hyderabad Mindspace	▪ Installed OWC machines to convert food waste into manure ▪ Used DG engine oil, used DG filters, and used cooking oil is sent for recycling through the vendor authorized by the Pollution Control Department ▪ Other dry waste and batteries are also sent for recycling
Novotel Pune	▪ Food waste is composted through the OWC and is sent to animal farm as feed through authorized vendors ▪ Other waste including e-waste is sent for recycling to authorized vendors
Four Points by Sheraton Navi Mumbai	▪ Food waste is processed in the OWC and the compost generated is used for gardening purposes ▪ Used cooking oil is collected by authorized vendors for repurposing it into biodiesel ▪ Dry waste, used DG engine oil and DG filters are sent for recycling through the authorized vendors ▪ Batteries and e-waste are discarded through authorized vendors and e-waste vendors respectively
Renaissance Mumbai Convention Centre Hotel	▪ Used cooking oil is utilized and repurposed into bio diesel

Social

∞

"At Chalet, our human capital and society are the backbone of our consistent success. We endeavor to empower our people and communities by investing in their growth through focused programs directed towards their development"

In this section

Human Capital Development

Health and Safety

Human Rights Assessment

Customer Delight

Social Initiatives

Redressal Mechanism

Our efforts contribute to the following UN SDGs:

Supporting Policies

- Prevention of Sexual Harassment (POSH) Policy

- Code of Conduct for Board and Senior Management Policy

- Employee's Code of Conduct

- Corporate Social Responsibility (CSR) Policy

Read Here: Chalet Corporate Policies

Our Concerns & Initiatives

During the reporting year, as our endeavor towards promoting workplace inclusion, we collaborated with Trust for Retailers & Retail Associates of India (TRRAIN) to develop and conduct specific programs at various locations that facilitated skill-based training for the differently abled employees.

At Chalet, we place a resolute focus on our team members and explore ways in which we can invest in their continuous growth and development. We believe that our constant progress is driven by our workforce and their relentless dedication towards our goals. Furthermore, our efforts also extend to uplifting the local communities that surround us. We do this by implementing thoughtful initiatives that aim towards providing them with basic necessities, which are important for living a quality life.

Human capital development

One of our most critical areas of concern is the improvement and development of our human capital. We understand the need of investing in the professional and personal development of our employees, and therefore, we have put strategies in place to ensure their growth and well-being.

Our consistent efforts towards creating a conducive workplace for all our employees while encouraging them to grow and prosper have led to not just Chalet being recognized as an employer of choice for the second consecutive year, but also having moved up 10 places from 16th place last year to 6th place this year.

Chalet Hotels has also been ranked #40 on the Best Place to Work in Asia 2021. These recognitions reinforce our strong belief in good Human Resource practices.

Great Place To Work®
Certified
APR 2020–MAR 2021
INDIA

Great Place To Work.
Asia's Best Workplaces
2021

Workforce Diversity & Inclusion

It is our endeavor to nurture a work environment that promotes diversity. We aim to provide a platform where our employees can enjoy freedom of expression. In addition to this, we aim to foster a work culture that provides equal opportunities to our people irrespective of their gender, caste, creed or religion.

10%
90%

■ Permanent ■ Temporary

13%
87%

■ Male ■ Female

3%
44%
53%

■ Age of employees less than 30 years
■ Age of employees 30 to 50 years
■ Age of employees more than 50 years
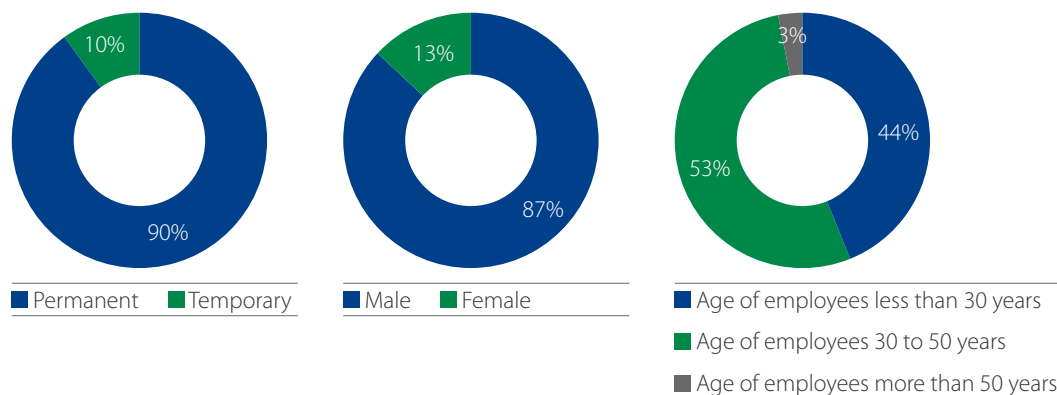
Employee Category/	Hotel Name	Total Number	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	Hotels	1758	791	920	47	1525	233
	Chalet Corporate Office	88	14	60	14	72	16
	Total	1846	805	980	61	1597	249
Temporary	Hotels	128	99	29	0	119	9
	Chalet Corporate Office	87	0	87	0	87	0
	Total	215	99	116	0	206	9
Contractual		756					
	Grand Total	2817					

Pride policy

We have implemented 'The Pride Policy', which emphasizes a non-discriminative and transparent environment at the workplace by embracing gender differences and forbids discrimination based on sexual orientation and gender identity. The policy includes:

- Zero discrimination in hiring, which includes recruitment of the right candidate solely on merit

- Financial support of up to Rs 2,00,000

towards gender reassignment surgery

- Adoption assistance benefit extended to LGBTQ employees on a case to case basis as determined by the Adoption Assistance Committee

- Provision of professional counselling sessions to support our employees

- Workshops on employee sensitization to spread awareness on the topic amongst the workforce

Training and Development

With regard to skill enhancement, we regularly organize training sessions and workshops that enable our employees in upgrading their crucial skills and competencies in both technical and non-technical areas. In addition to this, in the wake of the COVID-19 pandemic and the disruptions caused by it, we realized that our responsibility towards our employees was more important than ever. To this end, during FY 2020-21, we organized dedicated sessions on mental health and well-being such as 'Stay Positive Stay Strong' to encourage the importance of good mental health in the testing times.

110,245 — Hours, Invested in Employee Training

39.13 — Hours/ Employee, Training Hours per Employee

Sound HR Policies

We have developed and incorporated sound policies for our employees with a purpose of guiding them in the workplace. These policies reflect our aspiration of creating a work environment that is cordial, respectful, and ethical. We have implemented a Code of Conduct for our employees that helps us to ensure that the business is conducted in an ethical manner as well as promotes a work culture that is conducive to members and employees alike.

Our Policies and Benefits

Paternity Leave

A five-day leave policy to ease strain given increased work, personal responsibilities and need to make time for family

Fab Women

Offers expert consultation and circulars on making most of professional opportunities and better lifestyle choices

Women Leadership Programs

This ensures that the leadership of our organization is diverse, well-represented and brings multiple perspectives

Adoption Assistance Policies

We also extend support and coverage for parents in the process of adoption

Aanchal Policy

It includes initiatives to support expectant mothers in achieving work-life balance and conquering challenges

Health and safety

We understand that as a responsible organization, it is our absolute duty to ensure that the health and safety aspect of our employees is taken care of. During the reporting year, health, hygiene and safety protocol 'ALL Safe' and 'Commitment to Clean' was launched by our Brand partners Accor and Marriott respectively. As our effort, we provide occupational health and safety training on health-related aspects such as fire safety to our employees across all our hotels. During the reporting year, fire safety training was 100% completed across our assets. We hire labors and workers on a contractual basis through agencies. To ensure their well-being, we periodically organize relevant safety trainings along with the provision of safety tool kits that are necessary to work on the site.

Human rights assessment

We place a great emphasis on an approach that preserves and respects the rights of all our stakeholders including employees, customers and communities. Our Business Responsibility Policy underlines our commitment towards protecting human rights and acknowledges that these rights are inherent, universal, indivisible and interdependent in nature. Furthermore, we have integrated the principles of human rights across our management systems and have ensuring that all the individuals who are impacted by our business have access to the grievance mechanism where they can raise complaints and share feedbacks. In addition to this, we take measures to promote and raise awareness on the fundamentals of human rights throughout our value chain to avoid any kind of violation.

Customer delight

Our efforts towards building a responsible business include constantly delivering unmatched customer experience. Therefore, we relentlessly strive to offer unmatched services to our guests. Towards this end, we develop and implement various measures along with adopting technological interventions to enhance the customer satisfaction levels. Additionally, we periodically conduct engagement activities such as customer surveys and work with our brand partners to understand their satisfaction levels, experience, and evolving preferences.

Social initiatives

As a Company that places responsibility at its core, we continually invest in the upliftment and development of the local communities that surround us. During FY 2020-21, we spent Rs 44,90,045 as a part of our social interventions in the areas of healthcare, employment enhancing vocational training to differently abled, and contribution towards setting up an old age home. With our focus on healthcare facilities, we provided a fully equipped cardiac ambulance to the Fortis Hospital and linen to the J J Hospital, both of which are located in Mumbai. Additionally, we also partnered with NGOs to provide meals, groceries, hygiene kits, masks, personal protective equipment, bedsheets, and clothes, amongst others to the ones in need. During the reporting year, as our endeavor towards promoting workplace inclusion, we collaborated with Trust for Retailers & Retail Associates of India (TRRAIN) to develop and conduct specific programs at various locations that facilitated skill-based training for the differently abled employees.

50*

Number of Beneficiaries

1

NGO Partnerships

4.5

CSR Expenditure (Rs. million)

* No. of lives touched includes 50 persons trained through our CSR initiatives on skill development. Besides this, various other initiatives have been undertaken, the impact of which has not been measured.

Combatting COVID-19

The unprecedented outbreak of the COVID-19 pandemic caused disruptions across various businesses. To combat the challenges imposed by the pandemic, we undertook various efforts to ensure business continuity by making prompt decisions. In addition to this, we maintained our focus on serving our customers better, ensuring employee safety and well-being, and addressing to the needs of our surrounding communities.

Customers

Measures:

- Implemented health and safety protocols 'ALL Safe' and 'Commitment to Clean' at Accor and Marriott Hotels respectively '

- Implemented technology driven initiatives like key-less mobile or digital check-in and check-out using handheld devices, digitisation of certain guest services with an integrated digital payment option, etc.

Employees & Suppliers

Measures:

- As of June 2021, 83% of our employees across Corporate offices and our properties have received at least one dose of the COVID-19 vaccine

- Set up a dedicated 24 hours war room to help employees connect with leads in case of emergencies

- Implemented insurance schemes for the welfare of employees through term insurance and Mediclaim benefits

- Conducted Company organised vaccination camps

- Implemented touchless system to capture employees' attendance

Society

Measures:

- Provided a fully equipped cardiac ambulance to Diabetic Association of Association of India

- Supported Trust for Retailers & Retail Associates of India(TRRAIN) in a unique initiative called PANKH that aims to create sustainable livelihood for Persons with Disabilities (PwDs). 50 PwDs have undergone training in Mumbai, Pune, Bengaluru and Hyderabad.

- Freshly cooked and hygienically packed meal boxes were distributed to a wide range of COVID-19 warriors, including doctors, nurses, policemen, municipality officials and sweepers across Mumbai, Bengaluru, Pune and Hyderabad.

- At Mumbai, partnered with a few institutes and NGOs to support them in the wake of the pandemic to offer support to the vulnerable section of the society.

Redressal mechanism

We aim to understand the issues faced by our stakeholders and respond to them. To become a reliable organization, it is crucial for us to be able to identify the problems faced by our customers, employees, and communities, and address them through proper processes in place. This does not only make us a responsible Company but also enables us to build lasting trust amongst our stakeholders. Towards this, we have a well-placed grievance mechanism that helps our stakeholders share their feedback and grievances with us. We make sure that all their issues are addressed in a fair and timely manner. During the reporting period, we recorded 3 grievances across the stakeholder groups, which were responded to and fully resolved by our team.

Alignment with Standards

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
General Disclosures							
GRI102-1	Name of the organization	Report Methodology	1		-		-
GRI102-2	Activities, brands, products, and services.	About Chalet	2,3		-		-
GRI102-3	Location of the organization's headquarters	About Chalet	2		-		-
GRI102-4	Location of operations	About Chalet	2-3		-		-
GRI102-5	Ownership and legal form.	About Chalet	2-3		-		-
GRI102-6	Markets served	About Chalet			-		-
GRI102-7	Scale of the organization	About Chalet	2-4		Principle 3		-
GRI102-8	Information on employees and other workers	Human Capital Development	28		Principle 3	SDG 8 SDG 10	6
GRI102-9	Supply chain	Governance	11, 18		-		3, 4, 5, 6, 8, 10
GRI102-10	Significant changes to the organization and its supply chain	About Chalet	11-18		-		-
GRI102-11	Precautionary approach or principle	Governance (Risk Mitigation)	16		-		7
GRI102-12	External initiatives	About Chalet; Our Macro environment and performance	2-3; 4-5		-	SDG 17	-
GRI102-13	Memberships of associations	Our Macro Environment & Performance	4		Principle 7	SDG 17	1, 8
GRI102-14	Statement from senior decision-maker	Chairman's Note			Principle 8		-
GRI102-15	Key impacts, risks, and opportunities	Governance (Risk Mitigation)	16		Principle 2/ Principle 5		-
GRI102-16	Values, principles, standards, and norms of behavior	Our Strategic ESG Framework	7		Principle 1	SDG 16	1, 2, 3, 4, 5, 6, 8, 10
GRI-102-17	Mechanisms for advice and concerns about ethics	Governance	13-16		Principle 1		10
GRI102-18	Governance structure	Our Leadership Philosophy & Board Oversight	14, 15		-		-
GRI102-19	Delegating authority	Our Leadership Philosophy & Board Oversight	14,15		-		-

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
GRI102-20	Executive-level responsibility for economic, environmental, and social topics	Our Leadership Philosophy & Board Oversight	14,15		-		-
GRI102 - 21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Dialogue	10-11		-	SDG-16	-
GRI102-22	Composition of the highest governance body and its committees	Our Leadership Philosophy & Board Oversight	14, 15		-	SDG-5 SDG-16	-
GRI-102-23	Chair of the highest governance body	Our Leadership Philosophy & Board Oversight	14, 15		-	SDG-16	-
GRI-102-24	Nominating and selecting the highest governance body	Our Leadership Philosophy & Board Oversight	14, 15		-	SDG-5 SDG-16	-
GRI-102-26	Role of highest governance body in setting purpose, values, and strategy	Our Leadership Philosophy & Board Oversight	14, 15		-		-
GRI-102-29	Identifying and managing economic, environmental, and social impacts	Material Issues and Our Response	12		-	SDG 16	-
GRI-102-30	Effectiveness of risk management processes	Governance	16		-		-
GRI-102-31	Review of economic, environmental, and social topics	Our Leadership Philosophy & Board Oversight	14		-		-
GRI-102-32	Highest governance body's role in sustainability reporting	Our Strategic ESG Framework; Our Leadership Philosophy & Board Oversight	14		-		-
GRI-102-33	Communicating critical concerns	Governance	14		-		-
GRI102-40	List of stakeholder groups	Stakeholder Dialogue	10-11		Principle 4		-
GRI102-41	Collective bargaining agreements				-	SDG 8	1, 3
GRI-102-42	Identifying and selecting stakeholders	Stakeholder Dialogue	10-11		Principle 4		-
GRI-102-43	Approach to stakeholder engagement	Stakeholder Dialogue	10-11		-		1~10
GRI-102-44	Key topics and concerns raised	Stakeholder Dialogue	10-11		-		-
GRI-102-45	Entities included in the consolidated financial statements	Governance (Economic Value Creation)	15-16		-		-
GRI-102-46	Defining report content and topic Boundaries	Report Methodology	1		-		-
GRI-102-47	List of material topics	Material Issues & Our Response	12		-		-
GRI-102-48	Restatements of information	Report Methodology	1		-		-
GRI-102-49	Changes in reporting	Report Methodology	1		-		-

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
GRI-102-50	Reporting period	Report Methodology	1		-		-
GRI-102-51	Date of most recent report	Report Methodology	1		-		-
GRI-102-52	Reporting cycle	Report Methodology	1		-		-
GRI-102-53	Contact point for questions regarding the report	Report Methodology	1		-		-
GRI-102-54	Claims of reporting in accordance with the GRI Standards	Report Methodology	1		-		-
GRI-102-55	GRI content index	Annexure: Content Index	31		-		-
Economic							
GRI-103-1	Explanation of the material topic and its Boundary	Material Issues and Our Response	12		Principle 4		-
GRI-103-2	The management approach and its components	Governance	14		Principle 4/ Principle 2/ Principle 3		-
GRI-103-3	Evaluation of the management approach	Governance	14		-		-
GRI-201-1	Direct economic value generated and distributed	Governance (Economic Value Creation)	15-16		-	SDG 9	-
GRI201-2	Financial implications and other risks and opportunities due to climate change	Environment	19	Climate Change Adaptation (SV-HL-450a.1)	Principle 6	SDG 13	-
GRI203-1	Infrastructure investments and services supported	About Chalet	2		-	SDG-5 SDG-9 SDG-11	-
GRI203-2	Indirect economic impacts of the organization	Governance (Economic Value Creation)	15-16		-	SDG-1 SDG -3 SDG -8	-
GRI-204-1	Proportion of spending on local suppliers	Social (Responsible Procurement)	16		Principle 2	SDG-8	-
GRI-205-1	Operations assesses for Risk related to Correction	Governance (Risk Mitigation)	16		Principle 1	SDG-16	10
Environment							
GRI-103-1	Explanation of the material topic and its Boundary	Material Issues & Our Response	12				-
GRI-103-2	The management approach and its components	Governance	14				-
GRI-103-3	Evaluation of the management approach	Governance	14				-

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
GRI-302-1	Energy consumption within the organization	Environment	19, 20, 21	Energy Management (SV-HL-130a.1) Sustainability Services (IF-RS-410a.1, 2, 3)	Principle 6	SDG-7 SDG-12 SDG-13	7, 8, 9
GRI302-2	Energy consumption outside of the organization	Environment	19, 20, 21	Energy Management (SV-HL-130a.1) Sustainability Services (IF-RS-410a.1, 2, 3)	Principle 6	SDG-7 SDG-8 SDG-12 SDG-13	8
GRI-302-3	Energy intensity	Environment	19, 20, 21	Energy Management (SV-HL-130a.1) Sustainability Services (IF-RS-410a.1, 2, 3)	Principle 6	SDG-7 SDG-12 SDG-13	8
GRI-302-4	Reduction of energy consumption	Environment	19, 20, 21	Energy Management (SV-HL-130a.1) Sustainability Services (IF-RS-410a.1, 2, 3)	Principle 6	SDG-7 SDG-12 SDG-13	7, 8, 9
GRI-302-5	Reductions in energy requirements of products and services	Environment	19-21	Energy Management (SV-HL-130a.1) Sustainability Services (IF-RS-410a.1, 2, 3)	Principle 6	SDG-7 SDG-12 SDG-13	8, 9
GRI-303-1	Interactions with water as a shared resource	Environment	22	Water Management (SV-HL-140a.1)	-	SDG-6	7, 8
GRI-303-2	Management of water discharge-related impacts	Environment	22	Water Management (SV-HL-140a.1)	-	SDG-6	7, 8, 9
GRI-303-3	Water withdrawal	Environment	22	Water Management (SV-HL-140a.1)	Principle 2	SDG-6 SDG - 12	7, 8, 9
GRI 303-4	Water discharge	Environment	23	Water Management (SV-HL-140a.1)			7, 8, 9
GRI 303-5	Water consumption	Environment	22	Water Management (SV-HL-140a.1)			7, 8, 9
GRI-304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment	21	Ecological impacts (SV-HL-160a.1, SV-HL-160a.2)	Principle 6	SDG-14 SDG-15	7, 8
GRI-304-2	Significant impacts of activities, products, and services on biodiversity	Environment	21	Ecological impacts (SV-HL-160a.1, SV-HL-160a.2)	Principle 6	SDG-6 SDG-14 SDG-15	7, 8
GRI-305-1	Direct (Scope 1) GHG emission	Environment	21		Principle 6	SDG-3 SDG-12 SDG-13	7, 8

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
GRI-305-2	Indirect (Scope 2) GHG emissions	Environment	21		Principle 6	SDG-3 SDG-12 SDG-13	7, 8
GRI-305-4	GHG emissions intensity	Environment	21		Principle 6	SDG-3 SDG-12 SDG-13	8
GRI-306-2	Waste by type and disposal method	Environment	24		Principle 6	SDG-3 SDG-12 SDG-15	7, 8, 9
GRI-306-5	Water bodies that are significantly affected by water discharges	Environment	24		Principle 6	SDG-6 SDG-14	7, 8, 9
GRI-308-2	Suppliers assessed for environmental impacts	Our Strategic ESG Framework; Environment	9		Principle 4	SDG-12 SDG-16	8
Social							
GRI-103-1	Explanation of the material topic and its Boundary	Material Issues & Our Response	12				-
GRI-103-2	The management approach and its components	Governance	14				-
GRI-103-3	Evaluation of the management approach	Governance	14				-
GRI-401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Social	29		Principle 3	SDG-3 SDG-5 SDG -8	
GRI-401-3	Parental leave	Social	29		-	SDG-5 SDG-8	-
GRI-402-1	Notice period for significant operational changes	Social			Principle 3		-
GRI-403-3	Occupational health services	Social (Health and Safety)	31		-		-
GRI-403-5	Worker training on occupational health and safety	Social (Health and Safety)	30		Principle 3	SDG-8	-
GRI-404-1	Average hours of training per year per employee	Social (Training and Development)	28		Principle 3	SDG-4 SDG-5 SDG-8 SDG-10	6
GRI-404-2	Programs for upgrading employee skills and transition assistance programs	Social (Training and Development)	28		Principle 3	SDG-8	-
GRI-406-1	Incidents of discrimination during the reporting period.	Social (Redressal Mechanism)	30		Principle 3	SDG-5 SDG-8	
GRI-409-1	Operations and suppliers considered to have significant risk for incidents of forced and compulsory labor	Social	16		Principle 3	SDG-8	-
GRI-412-1	Operations that have been subject to human rights reviews or impact assessments	Social	29		Principle 5	SDG-8	-

GRI Reference	Indicator detail	Chapter	Page No.	SASB*	NVGs	UN SDG	UNGC
GRI-412-2	Employee training on human rights policies or procedures	Social	28-29		Principle 5	SDG-8	1
GRI-413-1	Operations with local community engagement, impact assessments, and develop	Social	29-30		Principle 4	SDG-10	8
GRI-413-2	Operations with significant actual and potential negative impacts on local communities	Social	29-30		Principle 8	SDG-1 SDG-2	7, 8
GRI-414-1	New suppliers that were screened using social criteria	Our Strategic ESG Framework; Social	9; 16		-	SDG-5 SDG-8 SDG-16	-
GRI-416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Social (Health and Safety)	30		Principle 2	SDG-12	-
GRI-418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance (Information and Cyber Security)	16		Principle 9	SDG-16	-
GRI-419-1	Non compliance with laws and regulations in the social and economic area	Social	29	Transparent Information & management of conflict of interest (IF-RS-510a.3)	-	SDG-16	-

Glossary of Terms, Abbreviations and Acronyms

Abbreviation	Explanation
AHU	Air Handling Unit
ATC	Automatic Tube Cleaner
BMS	Building Management System
CFL	Compact Fluorescent Lamp
CHL	Chalet Hotels Limited
CIDCO	City and Industrial Development Corporation of Maharashtra
COVID-19	Coronavirus Disease 2019
CSR	Corporate Social Responsibility
DG	Diesel Generator
EBITDA	earnings before interest, taxes, depreciation, and amortization
ESG	Environmental, Social and Governance
ETP	Effluent Treatment Plant
EV	Electric Vehicles
FCU	Fan Coil Units
FSSAI	Food Safety and Standards Authority of India
FY	Fiscal Year
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HSD	High Speed Diesel
IBEF	India Brand Equity Foundation
INR	Indian Rupee
IT	Information Technology
KL	Kiloliters
kWh	kilowatt hour

Abbreviation	Explanation
LED	Light-Emitting Diode
LEED	Leadership in Energy and Environmental Design
LGBTQ	Lesbian, Gay, Bisexual, Transgender and Queer or Questioning
MCGM	Municipal Corporation of Greater Mumbai
ML	Megaliters
MT	Metric Tons
NABL	National Accreditation Board for Testing and Calibration Laboratories
NGO	Non-Governmental Organization
NVGs	National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business
OWC	Organic Waste Convertor
PIBC	Pressure-Independent Balancing Control
POSH	Prevention of Sexual Harassment
PPE	Personal Protective Equipment
PV	Photovoltaic
SPCB	State Pollution Control Board
STP	Sewage Treatment Plant
tCO2e	tonnes (t) of carbon dioxide (CO2) equivalent (e)
TRRAIN	Trust for Retailers & Retail Associates of India
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
USGBC	U.S. Green Building Council
VFD	Variable-Frequency Drive
WC	Water Closet
ZLD	Zero Liquid Discharge

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